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July 8, 2005

### **SALES TAX REQUIREMENTS FOR SMALL GROCERS AND MINI-MARTS**

The information contained herein responds to numerous inquiries relating to sales tax requirements for sales of food products and sundry items purchased at local grocers and mini-marts in California.

If the proprietor of a grocery store or mini-mart intends to sell tangible personal property that would ordinarily be subject to sales tax, the proprietor should obtain a valid Board of Equalization (BOE) seller's permit and display it in the place of business. Generally, sales of food products for human consumption are exempt from tax, and no sales tax reimbursement is charged on these purchases. However, hot food products and many other items commonly sold at small grocers are taxable.

Here are some common examples of taxable and non-taxable sales:

<b>Taxable Sales</b>	<b>Non-taxable Sales</b>
<ul style="list-style-type: none"><li>• Hot prepared foods (including nachos, hot dogs, and foods microwaved on-site)</li><li>• Carbonated beverages, effervescent bottled water and juices</li><li>• Beer, wine, and distilled spirits</li><li>• Ice</li><li>• Over-the-counter medicines</li><li>• Tobacco products</li></ul>	<ul style="list-style-type: none"><li>• Food products (including <u>uncooked</u> meats, packaged meals, fruits, and vegetables)</li><li>• Non-carbonated, non-effervescent bottled water and fruit juices</li><li>• Cooking wine</li><li>• Deli foods</li><li>• Hot coffee beverages to go</li><li>• Phone cards</li></ul>

Grocers or mini-marts selling a combination of taxable and non-taxable items must comply with California law and register for a seller's permit, file Sales and Use Tax returns, and pay sales tax on sales or purchases of taxable items to the BOE.

## **Available Resources**

- **Obtaining a Seller's Permit:**  
To apply for a permit you can visit or call one of our local offices to obtain an application. Applications may also be downloaded from the Internet site: [www.boe.ca.gov](http://www.boe.ca.gov); once the application is completed, it may be mailed or hand delivered to the BOE.
- **Free Classes:**  
The BOE currently offers free classes to assist in determining the proper sales tax application and collection obligations. For information about these classes, please visit: [www.boe.ca.gov](http://www.boe.ca.gov).
- **Publications:**  
The following are free publications that are available on the BOE website: [www.boe.ca.gov](http://www.boe.ca.gov).
  - BOE Publication #31, *Tax Tips for Grocery Stores*
  - BOE Publication #51, *Guide to Board of Equalization Services*
  - BOE Publication #73, *Your California Seller's Permit*
  - BOE-400-SPA (4-04), *California Seller's Permit Application*
- **For Further Information:**  
To obtain further information, please call the BOE Information Center at: 1-800-400-7115. To contact us via the Internet: [www.boe.ca.gov](http://www.boe.ca.gov).